## Message Text

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INFO OCT-01 EUR-12 ISO-00 OTPE-00 FCC-01 CG-00 COME-00

NASA-01 CCO-00 CIAE-00 INR-07 NSAE-00 OCE-00 RSC-01

BIB-01 OES-03 OIC-02 SS-15 NSC-05 TRSE-00 PA-01 PRS-01

USIA-06 ACDA-05 PM-03 L-02 FMC-01 DOTE-00 /075 W ------ 069343

R 282039Z JAN 75 FM AMEMBASSY LONDON TO SECSTATE WASHDC 7712 INFO AMEMBASSY MOSCOW

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MOSCOW PLEASE HOLD FOR DEPUTY ASST SECRETARY WALDMANN DEPT PLEASE PASS OTP, FCC, COAST GUARD, MARAD, NASA

E.O. 11652: N/A

TAGS: ETEL, TSPA, XG

SUBJ: MARITIME SATELLITE SYSTEM

REF: LONDON 1035

- 1. TEAM HAD MOST SATISFYING DAY-LONG DISCUSSIONS WITH LARGE UK DELEGATION DESCRIBED REFTEL. EXTENSIVE EXCHANGE OF IDEAS AND COOPERATIVE AND UNDERSTANDING RESPONSE OF UK DELEGATION WAS A PROMISING AND ENCOURAGING START TO BILATERAL TALKS.
- 2. INTRODUCTORY STATEMENT THAT US TEAM WAS IN LONDON TO LISTEN CAREFULLY TO UK VIEWS, AS WELL AS PRESENT US THINKING AND THAT US WAS PREPARED TO PARTICIPATE IN CO-OPERATIVE AND CONSTRUCTIVE MANNER IN LONDON CONFERENCE WAS WELL RECEIVED. US STATED THAT EXPECTED OUTCOME OF LONDON CONFERENCE WILL BE AGREEMENT IN PRINCIPLE THAT GLOBAL MARITIME SATELLITE SYSTEM WILL BE ESTABLISHED; THAT THERE WILL ALSO BE AGREEMENT IN PRINCIPLE FOR AN LIMITED OFFICIAL USE

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INMARSAT ORGANIZATION; AND THAT US WOULD LIKE TO BE PART

OF INMARSAT AND BELIEVED UK WOULD LIKE TO SEE US PARTICIPATION. INTRODUCTORY STATEMENT SEEMED MOST HELPFUL IN ASSURING BRITISH THAT IT COULD SET ASIDE PREVIOUS MISGIVINGS REGARDING US POSITIONS DURING POE MEETINGS, AND THAT TALKS WERE OPPORTUNITY TO START AFRESH.

- 3. AFTER STATING THAT SUBJECT OF PRINCIPAL IMPORTANCE TO US WAS SUBJECT OF DESIGNATED ENTITY WITH FREE FINANCIAL AND OPERATING RESPONSIBILITY, TEAM MADE PRESENTATION ON TWO AGREEMENT FORMULA. UK DELEGATION DID NOT SPECIFICALLY INDICATE ITS ACCEPTANCE OF CONCEPT IN FORMAL REPLY TO PRESENTATION, BUT DID PROMISE CAREFUL CONSIDERATION. UK TEAM INDICATED INTEREST IN HOW TWO AGREEMENT APPROACH WOULD BE RECEIVED BY OTHER NATIONS, PARTICULARLY RUSSIAN WHO THEY FEEL MIGHT HAVE SOME DIFFICULTY IN ACCEPTING ASSUMPTION BY DESIGNATED ENTITY OF FULL RESPONSIBILITY FOR FINANCIAL AND OPERATING MANAGEMENT. THEY ALSO STATED RESERVATIONS OF THEIR OWN CONCERNING ENTITY'S SOLE FINAN-CIAL RESPONSIBILITY WITHOUT USG BACKUP, BUT US TEAM CONSENSUS WHICH IS SUPPORTED BY CORRIDOR CONVERSATIONS IS THAT BRITISH WILL BUY TWO-AGREEMENT APPROACH. THEY EXPRESSED APPRECIATION AT FACT FINAL TEXTS OF TWO AGREE-MENTS NOT YET COMPLETED AND THAT THEY HOPEFULLY WOULD HAVE OPPORTUNITY TO OFFER COMMENTS THAT WOULD BE TAKEN INTO ACCOUNT. THEY DID RAISE QUESTIONS REGARDING WHAT THEY CONSIDERED EXTRAORDINARY POWERS DESIGNATED TO COUNCIL. AND REFERRING TO HISTORY OF INTELSAT NEGOTIATION STATED THAT THIS MIGHT RAISE SOME POLITICAL PROBLEMS, AND TEND TO "RETROGRADE" CONVENTION ATTENTION TO INTELSAT NEGOTIATING EXPERIENCE.
- 4. UK ALSO DEVOTED SOME TIME TO ARGUING US STATEMENT THAT ALTHOUGH WORK OF POE ECONOMIC STUDY GROUP WAS PROFESSIONAL AND DELIGENT, THERE REMAINED NEED FOR REEVALUATING SOME WORK SUCH AS TRAFFIC FORECAST ASSUMPTIONS. IN THEIR WORDS "ULTIMATE" ACCURACY OF TRAFFIC FORECASTS ARE NOT POSSIBLE, AND DOUBTED FURTHER STUDY WOULD PRODUCE MORE RELIABLE INFORMATION. WHILE AGREEING THAT ACCURATE TRAFFIC FORECASTS AND OTHER ASPECTS OF ECONOMIC STUDY OFFERED SERIOUS PROBLEM BECAUSE OF INCOMPLETE INFORMATION LIMITED OFFICIAL USE

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AVAILABLE, US TEAM NONETHELESS REITERATED ITS VIEW THAT CONVENTION SHOULD SPEND TIME IN CAREFULLY EVALUATING SYSTEMS PROJECTED ECONOMICS AND IN MORE CAREFULLY CORRELATING REPORT'S ECONOMIC AND TECHNICAL ASPECT. BRITISH COUNTERED THAT CONVENTION PARTICIPANTS MUST ACCEPT THAT VERY NATURE OF STUDY, PARTICULARLY ECONOMIC FORECASTS MADE IT INEVITABLE THAT CONCLUSIONS WOULD NOT BE PRECISELY ON THE MARK AND THAT STUDY CONTAINED AN ACCEPTABLE MARGIN OF ERROR.

WHILE CONSIDERABLE TIME WAS SPENT ON THIS SUBJECT BRITISH DID INDICATE WILLINGNESS TO CONSIDER HAVING CONVENTION COMMITTEE UPDATE STUDY WITH ANY NEW INFORMATION, AND CONCEDED THAT SUCH ATTENTION TO ECONOMIC ANALYSIS AT CONVENTION COULD BE HELPFUL TO CONVENTION PARTICIPANTS WHO HAD NOT ATTENDED POE.

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5. BRITISH TOOK IN GOOD SPIRITS US PRESENTATION ON PROCUREMENT POLICY, LISTENING POLITELY TO US ARGUMENTS FOR POLICY INSURING LOWEST POSSIBLE COST. THEY INDICATED THAT THIS WAS AREA THAT SHOULD BE POSSIBLE OF RESOLUTION BY COMPROMISE POSITION AT CONVENTION. ALL THINGS CONSIDERED US TEAM IS OF OPINION THAT BRITISH SHOWED CONSIDERABLY LESS RESISTENCE TO US PROCUREMENT POSITION THAN WE HAD EXPECTED. THIS DOES NOT MEAN THAT THEY ACCEPT US POSITION BUT WE INTERPRET THEIR REACTION AS INTENTION PERHAPS TO GIVE SERIOUS THOUGHT TO SOME MIDDLE POSITION. WHERE THEY FINALLY COME OUT WILL DEPEND ON INFLUENCE THEY CAN BE EX-

PECTED TO RECEIVE FROM OTHER EUROPEAN NATIONS. SURPRISING-LY BILLINGTON OF UK POST OFFICE MADE COMMENT THAT HE THOUGHT RUSSIANS WERE NOT TOO HARD-NOSED ON PROCUREMENT AND MIGHT BE WILLING TO ACCEPT SOMETHING ALONG LINES OF US POSITION.

6. BRITISH EXPRESSED LITTLE KNOWLEDGE ON RUSSIAN ATTITUDE TOWARD SPECIFIC ASPECTS OF INMARSAT, OTHER OF COURSE, THAN LIMITED OFFICIAL USE

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THE RUSSIANS SUPPORTED INMARSAT. THEY ASKED FOR BRIEFING ON US TALKS SCHEDULED FOR NEXT WEEK IN MOSCOW, AND US TEAM PROMISED THEM FULL RUNDOWN.

- 7. REGARDING US VIEWS ON USE OF SATELLITE SYSTEM BY SHIPS OF ALL NATIONS BRITISH EXPRESSED COMPLETE AGREEMENT IT WAS CLEAR THAT WITHIN THEIR OWN GROUP THERE WAS RANGE OF VIEWS REGARDING DIFFERENT CHARGES FOR MEMBERS AND NON-MEMBERS OF THE ORGANIZATION, AND THEY WERE PLEASED TO HEAR THAT WITHIN THE US WE ARE PRESENTLY RESTUDYING OUR OWN POSITION. THEY WOULD LIKE TO KEEP IN TOUCH WITH US, AND SUGGESTED THAT AFTER DISCUSSING SUBJECT WITH SOME MAJOR EUROPEAN NATIONS THEY WOULD LIKE TO CONSIDER CONSULTING WITH US, BUT ALSO SAID THAT SUBJECT OF CHARGINQ PRACTICE WAS MATTER TO BE DECIDED AT CONFERENCE.
- 8. BRITISH RESPONDED RATHER UNENTHUSIASTICALLY TO US POSITION THAT PROVISION MUST BE MADE FOR SHIP OPERATORS AND OWNERS TO HAVE USER INPUT INTO SYSTEM, ALTHOUGH WERE MOLLIFIED WHEN WE MADE CLEAR THAT WHAT WE HAD IN MIND WAS AN ADVISORY OR CONSULTANCY ROLE, AND NOT AS MEMBERS OF THE ORGANIZATION. THEIR SUGGESTION THAT USER INTERESTS MIGHT BE HANDLED BY HAVING PARTIES OR SIGNATORIES BEAR INDIVIDUAL RESPONSIBILITY FOR REFLECTING VIEWS OF THEIR OWN NATIONAL USERS WAS REJECTED BY US TEAM WHICH TOOK POSITION THAT SHIPPING ORGANIZATIONS SUCH AS ICS OR SIMILAR COLLECTIVE REPRESENTATIVE BODY MUST BE GIVEN ADVISORY ROLE. IN END THEY APPEARED TO ACCEPT THIS VIEW.
- 9. THERE WAS FULL DISCUSSION OF HOW CONFERENCE SHOULD BE ORGANIZED. IN CONFIDENCE O'NEILL WAS TOLD AT LUNCH BY UK TEAM LEADER THAT UK EXPECTED BILLINGTON HAD EXCELLENT CHANCE OF BEING NOMINATED CONFERENCE CHAIRMAN, AND THAT SINCE IN THAT ROLE HE WOULD NEED BE NON-PARTISAN, THAN BRITISH WANTED ANOTHER MAN AS ONE OF THE COMMITTEE CHAIRMEN. O'NEILL INDICATED UNDERSTANDING OF BRITISH VIEW BUT IN AFTERNOON SESSION COUNTERED BY STATING THAT US WAS INTERESTED IN OBTAINING ONE OF THE CONFERENCE VICE PRESIDENT POSITIONS AND A COMMITTEE CHAIRMAN IN ADDITION. BRITISH RESPONSE WAS NONCOMMITTAL BUT IMPLIED THAT THERE

MIGHT BE SOME POLITICAL	PROBLEMS WITH	OTHER POE	PARTICI-
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PANTS WHO WERE NOT ENTIRELY HAPPY WITH US ROLE IN THAT FORUM.

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THERE WAS FURTHER DISCUSSION ON HOW THE CONFERENCE MIGHT BE ORGANIZED AND US PROMISED SEND BRITISH INFORMAL PAPER SETTING FORTH SOME IDEAS ON NUMBER AND RESPONSIBILITIES OF CONFERENCE COMMITTEES AS WELL AS SOME SUGGESTIONS REGARDING INTER-SESSIONAL WORKING GROUPS.BRITISH CERTAINLY ACCEPT IDEA THAT A FOLLOW-ON CONFERENCE IS NECESSARY, AND WILL BE SATISFIED IF CONFERENCE DECIDES ON ESTABLISHMENT OF INMARSAT AND EFFECTIVELY ORGANIZES FOLLOW-ON TASKS.

10. THERE ALSO WAS DISCUSSION OF MAROTS/MARISAT COOPERATIVE EFFORT, USE OF SATELLITE SYSTEM IN PORTS AND OTHER SUBJECTS.

11. IN CONCLUSION US TEAM IS PLEASED WITH TENOR OF CONVERSATIONS, GROUND COVERED, AND EXCELLENT RAPPORT ESTABLISHED BETWEEN TEAMS. BELIEVE MUCH CREDIT FOR THIS GOES TO JAMES MELLON OF FCO WHO LED BRITISH TEAM AND WHO IS EXPECTED TO LEAD UK DELEGATION TO LONDON CONFERENCE. HIS LEADERSHIP SHOULD FACILITATE COOPERATIVE EFFORT BETWEEN LIMITED OFFICIAL USE

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US AND UK.

FOR EB/TT/TD: AM TOLD THAT CABLES ARE NOT PASSED ELECTRICALLY TO FCC. WILL YOU PLEASE SEE THAT BOB GREENBURG GETS COPIES ALL CABLES.

**SPIERS** 

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## Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: POLICIES, COMMUNICATION SATELLITES, MEETING DELEGATIONS

Control Number: n/a Copy: SINGLE Draft Date: 28 JAN 1975 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975I ONDON01347

Document Number: 1975LONDON01347
Document Source: CORE
Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: N/A Errors: N/A

Film Number: D750031-0715 From: LONDON

Handling Restrictions: n/a

Image Path:

Legacy Key: link1975/newtext/t19750115/aaaaamtm.tel Line Count: 301

Locator: TEXT ON-LINE, ON MICROFILM

Office: ACTION EB

Original Classification: LIMITED OFFICIAL USE

Original Handling Restrictions: n/a
Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 6

Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE

Previous Classification: Limited Official Previous Handling Restrictions: n/a Reference: 75 LONDON 1035 Review Action: RELEASED, APPROVED Review Authority: SmithRJ

Review Comment: n/a Review Content Flags: Review Date: 11 JUN 2003

**Review Event:** 

Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by BoyleJA>; APPROVED <23 OCT 2003 by SmithRJ>

**Review Markings:** 

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**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: MARITIME SATELLITE SYSTEM TAGS: ETEL, TSPA, XG, UR To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006